

**Self Insurance Plans  
California v New York**

<b>California</b>		<b>New York</b>
<b><u>Plans</u></b>	<u>Self Insurance Groups--enacted in 1994.</u>	<u>Self Insurance Trusts</u>
<b>Security Deposits</b>	135% of estimated future liabilities of all current claims held by the state	Regulations require a deposit but no deposits are held by the state.
<b>Frequency of Bond Evaluation</b>	Evaluated annually based on SIG reporting of estimated future liability and every three years based on a Office of Self Insurance Plan physical audit.	None
<b>Funding Level</b>	Funding at the 80th percentile confidence level as set by an actuary after analysis of the risks of a given trust's membership. This allows for enough funding to statistically pay all claims 8 out of 10 years with enough surplus to pay the other two years.	No required funding confidence levels established.
<b>Claim Payments after Default</b>	Deposit pays claims. If the deposit is not enough the Self Insurance Security Fund may collect funds from the defaulting employers. If more funds are needed to pay claims funds are collected from the defaulting employers. If funds are still insufficient all self insured employers pay.	Paid by the state with no guarantee fund or deposit.
<b>Enforcement of Regulations</b>	California requires actuarial reports yearly and evaluates these reports for each SIG to ensure that they are at the 80th percentile confidence level .	Trusts have continued for years without regulators noticing shortfalls in funding.
<b>Size of Shortfall</b>	If a SIG falls below the 80th percentile confidence level a correction plan is required from the SIG. If confidence level is not corrected a conservatorship may be assigned.	Trusts have continued for years without regulators noticing shortfalls in funding.
<b>Conflicts of Interest</b>	Requires a third party administrator to eliminate conflicts of interest.	Allow groups to self administer their claims which can create a conflict of interest between the trust, vendors and the administrator.